



PRESS RELEASE

House Armed Services Committee

Floyd D. Spence, Chairman

FOR IMMEDIATE RELEASE

May 10, 2000

CONTACT: Maureen Cragin

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202-225-2539

HOUSE ARMED SERVICES COMMITTEE

COMPLETES MARK UP OF DEFENSE BILL

Adds \$4.5 Billion to Address Unfunded Requirements

The House Armed Services Committee tonight reported H.R. 4205, the fiscal year 2001 defense authorization bill, out of committee on a strong, bipartisan 56 to 1 vote. Upon final passage, committee Chairman Floyd Spence (R-SC) issued the following statement:

“I am pleased that the committee has once again reported the annual defense authorization bill out of committee with strong, bipartisan support.

“In reporting this bill, the committee has placed great emphasis on expanding quality of life initiatives, addressing readiness shortfalls, and enhancing modernization programs. In addition, the committee was able to apply virtually all of the additional \$4.5 billion above the President’s request to unfunded requirements identified by the military service chiefs and defense agencies.

“I am particularly pleased with the committee’s comprehensive package of military health care reforms that will lead to significant improvements in access to quality health care by all military beneficiaries, including over-65 military retirees.

“While this bill makes a significant contribution to reversing a decade of defense cuts, one year of real growth increases will not solve the fundamental problems facing the U.S. military. It is critical that Congress and the new Administration sustain the funding levels contained in this bill if we are to ensure America’s military maintains capabilities commensurate with its superpower responsibilities.”

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The committee used the fiscal year 2001 defense spending recommendation contained in the Concurrent Resolution on the Budget for Fiscal Year 2001 (H.Con.Res. 290) as the funding level for H.R. 4205 – \$309.9 billion in budget authority, \$4.5 billion more than the President’s request.

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Summary of Major Provisions

H.R. 4205:

Floyd D. Spence

***National Defense Authorization Act
for Fiscal Year 2001***

May 10, 2000

EXECUTIVE SUMMARY

Over the past five years, the military service chiefs have appeared before the House Armed Services Committee and itemized a wide range of unfunded quality of life, readiness and modernization requirements. Their assessments have served as an important measure of the inadequacy of defense budgets and have guided the committee on how best to address the most critical shortfalls with whatever additional resources Congress could muster.

Last year at this time, the military service chiefs estimated their fiscal year 2001 shortfall to be approximately \$10 billion. Despite fiscal year 2000 defense spending increases, the military service chiefs testified this spring that fiscal year 2001 shortfalls have grown to nearly \$16 billion – an increase of more than \$5 billion over just the past year. In addition, the service chiefs estimate shortfalls in the fiscal year 2001– 2005 period of \$84.2 billion – more than double their February 1999 estimate of \$37.9 billion for the same five-year period.

On May 10, 2000, the House Armed Services Committee reported H.R. 4205, the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001, out of committee on a strong, bipartisan 56 to 1 vote, marking the fifth year out of the last six in which Congress has increased the President's defense budget request. The bill authorizes \$309.9 billion for defense during fiscal year 2001 – an addition of \$4.5 billion to the President's request. Through careful distribution of these resources, the committee was able to fund approximately \$4.4 billion of the unfunded requirements identified by the service chiefs and defense agencies for fiscal year 2001.

Armed with guidance from the military service chiefs and the additional resources provided by the Congressional Budget Resolution (H.Con.Res. 290), the House Armed Services Committee has taken a wide-ranging approach to addressing systemic quality of life, readiness, and modernization shortfalls confronting the military services. The committee took significant steps to enhance the quality of military life through a major health care reform package, compensation enhancements, and other personnel benefits. It also increased funding for critical readiness accounts that support training, day-to-day operation and maintenance, and accelerated the modernization and replacement of rapidly aging military equipment.

Highlights of H.R. 4205 include:

Quality of Life

Health Care: Removes barriers to an effective TRICARE system, generates significant savings that will be redirected to pay for future benefits, restores pharmacy access to all Medicare-eligible military retirees, and establishes a road map toward implementation of a permanent health care program for military retirees over age 65 in 2004.

Pay Raise: Provides a 3.7 percent military pay raise (effective January 1, 2001).

Housing Costs: Reduces out-of-pocket housing costs for military personnel to less than 15 percent.

Targeted Subsistence Benefit: Provides up to \$500 per month to assist the most economically challenged military personnel.

Quality of Life (cont.)

Thrift Savings Plan: Includes authority for a retirement savings plan for military personnel.

Unfunded Requirements: Satisfies \$123.5 million of the service chiefs' unfunded personnel requirements.

Military Readiness

Critical Readiness Accounts: Increases funding for key readiness accounts by funding more than \$1.4 billion of the service chiefs' unfunded requirements.

Recruiting and Retention: Boosts military special pays, enhances incentives to join ROTC, and increases enlistment and reenlistment bonuses.

Modernization

National Missile Defense: Increases funding for National Missile Defense development by \$85 million in support of unfunded requirements of the Director of the Ballistic Missile Defense Organization.

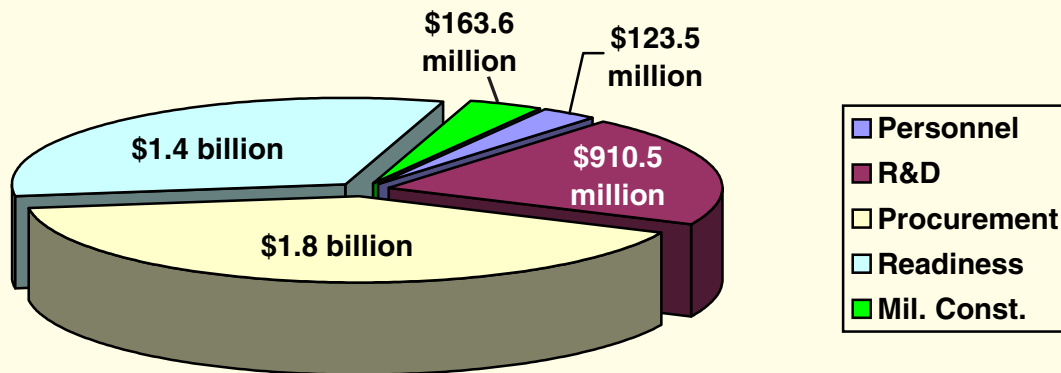
Procurement Accounts: Increases procurement accounts by \$2 billion and reprioritizes programs within the budget request, funding \$1.8 billion of unfunded procurement requirements.

Research and Development Accounts: Increases research and development accounts by \$1.4 billion, funding \$910.5 million of unfunded research, development, test and evaluation (RDT&E) requirements.

Military Construction

Meeting Construction Needs: Increases funding for key military construction efforts by meeting more than \$163.6 million of unfunded requirements.

H.R. 4205: Meets \$4.4 Billion of Unfunded Requirements



H.R. 4205: Funding Levels

Funding Description (Budget Authority)	Funding Level
President's Budget Request	\$305.4 billion
H.R. 4205 Budget Authority	\$309.9 billion
Congressional Increase	\$4.5 billion
Unfunded Requirements (Service Chiefs)	\$16 billion
Total Unfunded Requirements Funded by H.R. 4205	\$4.4 billion



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QUALITY OF LIFE

Despite five years of sustained efforts to improve the quality of living for U.S. military personnel and their families, service members continue to voice their displeasure with military life by leaving the force. As a result, each of the services has experienced significant recruiting and retention problems, threatening the strength and readiness of the all-volunteer force.

The committee recognizes the great personal sacrifices made by U.S. service members and has focused quality of life improvements in two areas: reforming the Defense Health Program and sustaining the viability of the all-volunteer force. While efforts in these areas in recent years have been substantial, there are no “silver bullets” to end the quality of life challenges facing the U.S. military – it will require a commitment to a long-term battle against these challenges if America is to sustain the world's foremost military force. It is with this commitment that the committee recommends a quality of life package that will improve the military health care system, provide fair compensation, support morale, welfare, and recreation programs, and improve the facilities in which military personnel live and work.

Military Health Care

The committee continues its aggressive role in finding solutions to active duty and retiree health care problems by delivering on the recommendations of the Joint Chiefs of Staff to “fix” the TRICARE military health care system that were not supported in the budget request.

The policy and funding initiatives proposed by the committee will remove a number of significant barriers to an effective TRICARE system, generate significant savings that can be redirected to pay for future benefits, restore pharmacy access for all Medicare-eligible military retirees, and create a road map for implementation in 2004 of a permanent health care program for military retirees over age 65. Once implemented, the provisions will direct an increasing proportion of health care dollars to improve access to care, increase participation of health care providers, and enhance benefits for those now struggling for limited space available care. To support these recommendations, the committee recommends \$286.5 million more than the President's request for the Defense Health Program.

Improved Active and Retiree Benefit.

- **Elimination of Health Care Inequities.** Under current law, family members of military personnel who are stationed far from military treatment facilities are not covered by the current TRICARE Prime Remote program and must pay higher costs for health care than family members of military personnel living near a military base. Also under current law, some active duty families enrolled in TRICARE Prime do not pay any co-payments at all because they receive care at military treatment facilities, while others are required to pay co-payments for civilian provider care because they are referred from a military treat-

ment facility that is unable to provide needed treatment. To eliminate these inequities, the committee recommends a provision to extend TRICARE Prime Remote coverage to family members and to eliminate co-payments for all active duty family members under TRICARE Prime.

- **Reducing TRICARE Limit on Catastrophic Expenses.** Under current law, retired TRICARE beneficiaries not enrolled in TRICARE Prime face potential annual medical expenses of up to \$7,500 per family. Because of the decreasing amount of space available care for the retired beneficiary population, an increasing number of families of retired military personnel face burdensome medical expenses. Therefore, the committee recommends a provision to reduce the maximum for annual out-of-pocket medical expenses of retired TRICARE beneficiaries to \$3,000 per family.
- **Reimbursement of Travel Expenses.** In certain cases, TRICARE beneficiaries must travel great distances at their own expense because a particular specialist is not available within the local network of TRICARE providers. The committee recommends a provision to authorize the Department of Defense (DOD) to reimburse TRICARE beneficiaries for reasonable expenses incurred while traveling more than 100 miles from the location at which they normally receive their primary care services.
- **Chiropractic Services for Active Duty.** The committee recommends a provision that would phase in a permanent chiropractic benefit for active duty military personnel over the next five years. The committee also recommends a provision that would extend the current level and scope of chiropractic services for one year while the Secretary of Defense develops a plan for the phase-in of the permanent benefit.

Health Care Programs for Medicare-Eligible Military Retirees.

- **Roadmap for Medicare-Eligible Military Retirees to a Permanent Health Care Program.** To date, no coherent plan has been developed to bring to a logical, systematic conclusion the multi-year effort by DOD and Congress to design and enact a permanent health care benefit for Medicare-eligible military retirees. Popular options seemed limited to two choices: open-ended extensions of ongoing demonstrations or immediate permanent implementation of one or more demonstration projects. Neither option appealed to the committee. Additionally, no process currently exists to sort through the volume of data from multiple perspectives to develop a comprehensive and coordinated plan. Believing strongly that such a process – a roadmap – is required, the committee recommends the establishment of an independent oversight panel to present recommendations to Congress by December 31, 2002 regarding the components of a permanent military health care program for the Medicare-eligible. This deadline will ensure that Congress has these recommendations in time to pass legislation that will implement a permanent benefit in fiscal year 2004. In the meantime, the committee recommends the immediate implementation of a full prescription drug benefit for Medicare-eligible military retirees.

- **TRICARE Senior Pharmacy Program.** Under current law, all 1.4 million Medicare-eligible military retirees and family members are eligible for prescription drugs. However, 800,000 of them do not have access to the benefit because they do not live close enough to a military treatment facility or otherwise cannot take advantage of TRICARE Senior Prime, the Uniformed Services Family Health Plan, or the Base Realignment and Closure program. Therefore, the committee recommends a provision to establish the TRICARE Senior Pharmacy Program. Under this program, all Medicare-eligible military retirees and eligible family members would enjoy the same pharmacy benefit that military retirees under the age of 65 receive through the TRICARE program. In particular, they would have access to the national mail order program and prescription drugs through both network and out-of-network retail pharmacies. With the freedom to choose the access point that best meets their personal needs, senior TRICARE beneficiaries would have access to the full range of prescription pharmaceuticals now offered through the DOD TRICARE uniform formulary and the option to purchase other prescription medications in non-network retail pharmacies. While the TRICARE Senior Pharmacy Program would have no enrollment fee, beneficiaries to the program would have to pay co-pays and out-of-network deductibles normally associated with the TRICARE programs.
- **Extension of TRICARE Senior Prime.** The TRICARE Senior Prime, or Medicare subvention demonstration project, has proven very popular among Medicare-eligible beneficiaries (the program is virtually fully subscribed wherever it is offered). Without action by the committee, the authority for this demonstration will expire on December 31, 2000. The committee believes termination is premature and recommends a limited extension of this demonstration to December 31, 2003, along with the other Medicare-related demonstration programs (see below). Continuation of these three programs will provide a solid database of information to understand how this demonstration works in conjunction with the other two demonstrations. The committee believes that TRICARE Senior Prime is a worthwhile demonstration project that should be continued. However, contrary to the original intent of the program, the demonstration is not being operated as a cost-neutral activity. Therefore, the committee recommends that the Secretary of Defense initiate a utilization management review, which the committee expects will provide insight as to the reasons for the increased costs of the demonstration project.
- **Extension of TRICARE Senior Supplement Demonstration Program.** Little data is available with which to evaluate the recently initiated TRICARE Senior Supplement program. However, in order to ensure the same fair test period afforded the other TRICARE demonstration projects, and to seek alignment with the road map for implementation in 2004 of a permanent health care program for military retirees over age 65, the committee recommends extending the program until December 31, 2003.
- **Federal Employees Health Benefits Program (FEHBP).** In the Strom Thurmond National Defense Authorization Act for Fiscal Year 1999 (P.L. 105-261) Congress established a pro-

gram to test whether FEHBP could support the health care needs and desires of military retirees. Unfortunately, the demonstration program has attracted too few enrollees to consider it a true test of its value as an alternate source of military retiree health care benefits. The committee believes that the program's inability to attract enrollees has more to do with the framework and implementation of the program than with the benefits of the program itself. Therefore, the committee recommends extending the FEHBP demonstration program until December 31, 2003 and directs the Secretary of Defense to expand the program to its fully authorized enrollment levels.

TRICARE Program Reforms.

- **Reforms to Increase Access, Benefit Portability, and Use of Military Treatment Facilities.** Despite congressional pressure to do so, DOD still has not taken full advantage of good business practices and technologies that could significantly improve health care access and reduce costs. Therefore, the committee recommends a provision to require the Secretary of Defense to submit a plan for improving TRICARE business practices by March 15, 2001 and to implement the plan by October 1, 2001. As it is sometimes necessary to initially invest resources before gaining benefits, the committee recommends \$134.5 million for efforts to increase the efficiency of health care operations in military treatment facilities.
- **Claims Processing Reform.** The committee learned during field hearings that the average cost to process a Medicare-provider claim is about \$1.00, while the average cost to process a TRICARE claim is nearly \$8.00. A large part of the cost difference can be attributed to outdated claims processing systems and procedures required by TRICARE. The committee recommends a number of initiatives to improve the efficiency of claims processing. To replace the manually developed health care service record, the committee recommends \$3.6 million to develop an automated TRICARE Encounter Data System. The committee also recommends increasing to 50 percent the number of claims submitted by electronic means and requiring providers with large numbers of TRICARE patients to submit their claims electronically. These efficiencies will save DOD over \$500 million over the next five years and the committee expects that the Secretary of Defense will redirect these dollars now being spent on administration to more productive use purchasing benefits for military personnel.
- **Prohibiting Requirement for Prior Authorization For Referrals.** Despite remaining within the TRICARE network of providers, some TRICARE patients report that they have been required to seek approval prior to being referred to another specialist or institution. Such unnecessary administrative steps represent a significant source of frustration to beneficiaries and providers alike. Therefore, the committee recommends a provision that would prohibit the Secretary of Defense from requiring TRICARE managed care support contractors to establish prior approval requirements among network providers.

- **Pharmaceutical Safety Improvements.** The committee recommends a provision to direct the Secretary of Defense to implement a pharmaceutical bar code identification program to improve the safety of DOD pharmacy programs.
- **Special Locality-Based Reimbursement Rates.** In a few areas of the United States, recruitment of health care providers into the TRICARE provider networks is hampered by TRICARE provider reimbursement rates, which are unusually low in comparison to prevailing local or other governmental reimbursement rates. Therefore, the committee authorizes the Secretary of Defense to increase reimbursement rates in certain localities.

Raising the Military Standard of Living

Many junior military personnel struggle to make ends meet – a fact dramatized by reports that more than 6,300 military personnel currently receive food stamps. In an effort to raise the standard of living for such military personnel, the committee recommends provisions to:

- increase basic pay by 3.7 percent military pay raise (matching the President's request) (also listed under "Basic Military Pay" on page 11);
- establish a targeted subsistence payment (up to \$500 per month) to assist the most economically challenged personnel (principally those living on food stamps);
- authorize an additional \$30 million to reduce out-of-pocket housing costs below the 15 percent envisioned in the President's budget proposal (also listed under "Housing Allowance" on page 11);
- require the Secretary of Defense to establish a single housing rate for members in grades E-1 through E-4 with dependents that is greater than the current single housing rate for E-4 personnel;
- authorize E-4 personnel to receive basic allowance for housing while assigned to sea duty; and
- increase the amount of dislocation allowance provided to partially reimburse members in grades E-1 through E-4 with dependents for costs of moving.

Military Construction

Although the President's fiscal year 2001 military construction budget request is a marked improvement over the fiscal year 2000 budget submission, it continues the trend of severely underfunding military construction accounts that began in fiscal year 1996. In fact, the President's \$8 billion request for military construction and military family housing programs for fiscal year 2001 is \$500 million below the levels authorized in the current fiscal year and approximately 25 percent below the level requested just six year ago. In repeated efforts to improve military infrastructure, the committee has added over \$6.1 billion to the President's budgets over the past five years. Once again, the committee targeted additional funding towards critical military infrastructure accounts to improve living and working conditions for military personnel and their families. Accordingly, the committee recommends \$8.4 billion (\$400 million more than the President's request) for military construction accounts. Over \$253 million

of the increase is dedicated to quality of life enhancements. Specific military construction initiatives include:

- **Military Family Housing.** The committee recommends \$857.1 million (\$108.7 million more than the President's request) for construction and improvement of military family housing units.
- **Troop Housing.** The committee recommends \$605.1 million for the construction of 41 new barracks and dormitories including \$79 million and eight more facilities than the President's request to support unaccompanied military personnel.
- **Child Development Centers.** The committee recommends \$42.9 million for 13 child development centers (\$25.8 million and nine more than the President's request).
- **Fitness Centers.** The committee recommends \$63.1 million for nine fitness centers (\$27.1 million and four more than the President's request).

Other Initiatives

Impact Aid. The Department of Education's Impact Aid program – which provides supplementary funds to school districts nationwide to support the education of nearly 550,000 military children – continues to be an effective means of supporting the education of military children. Although the committee believes assistance to local educational agencies should be funded through the Department of Education, the committee recognizes that Impact Aid funding is diminished by inflation and spending reductions every year. For this reason, the committee recommends \$35 million (the President's request did not include any funds) for Impact Aid spending.

Education Funding. The committee continues to place a priority on ensuring that the children of military families receive a quality education. As such, the committee recommends \$1.4 billion for DOD Dependent schools (matching the President's request).

Force Protection Measures. Several Defense Contract Audit Agency and DOD Inspector General Reports have found apparent irregularities in the financial management of the DOD Anthrax Vaccine Immunization Program. The committee is also concerned about the program's long-term effects on recruitment and retention. Therefore, the committee recommends a provision to require the Secretary of Defense and the Comptroller General to report periodically on several aspects of the program including personnel separations resulting from refusal to participate in the vaccine program, actions taken against civilian personnel as a result of their refusal to participate in the program, and financial management and overall program administration. The committee also recommends a provision to require the Secretary of Defense to provide a plan for modernizing all force protection vaccines.

Morale, Welfare, and Recreation (MWR).

- **Commissary Store Modernization.** In order to protect the commissary surcharge fund, which supports commissary renovation and replacement, the committee recommends a provision to require that various commissary-operating costs (including utility, communications, information technology, and operating supply and service expenses) be paid with appropriated funds rather than with surcharge funds (as is the current practice). This provision will free approximately \$80 million dollars of the surcharge fund each year for commissary renovation and construction.
- **Magazine Sales.** The committee recommends a provision to add magazines to the list of authorized commissary store merchandise, enabling commissary patrons to purchase magazines at a lower cost while also supporting the commissary surcharge fund.

Thrift Savings Plan (TSP). The committee is disappointed that the Administration did not identify the funds needed to implement the military TSP included in the National Defense Authorization Act for Fiscal Year 2000 (P.L. 106-65). However, the committee is pleased that the fiscal year 2001 budget resolution passed by Congress does include the necessary funding. Accordingly, the committee recommends a provision to authorize implementation of the military Thrift Savings Plan in fiscal year 2001.

IMPROVING U.S. MILITARY READINESS

In 1994, House Armed Services Committee Chairman Floyd Spence released a report that revealed the beginnings of a long-term systemic readiness problem in the United States military. Three years later, Chairman Spence produced another readiness report detailing the continuing slide in military readiness driven by the pressures of “doing more with less.” In the three years since the 1997 report, Congress has aggressively targeted critical military readiness and training accounts, supported initiatives to improve the recruiting and retention efforts of the services, and shaped the force to more effectively manage post-Cold War challenges.

As a result of these efforts, the decline in U.S. military readiness has slowed – but it has not yet been reversed. While the Administration’s decision to provide real growth in defense spending in the fiscal year 2001 budget is generally good news for the U.S. military, it does not increase spending for readiness accounts, and is insufficient to repair the damage done to military readiness by over a decade of underfunded defense budgets. Once again, the committee recommends a comprehensive approach to addressing readiness problems, including enhancing military pay and benefits, supporting recruiting and retention efforts, and increasing funds for key readiness and training accounts.

Readiness and Training

Critical Readiness Accounts. Despite clear congressional direction and efforts to increase funding for critical readiness needs (over the past six years, the committee has recommended increasing critical readiness accounts by more than \$10 billion), the President’s budget again fell short of meeting even minimal levels of support for critical readiness accounts. For fiscal year 2001 alone, the service chiefs’ unfunded requirements lists identify a real property and repair shortfall of over \$1 billion, a spare parts funding shortfall of \$250 million, and a ship depot maintenance shortfall of over \$180 million. Particularly disheartening are allegations that these readiness shortfalls resulted from congressional cuts to the Operation & Maintenance (O&M) accounts, which are often considered the “readiness” accounts. Such allegations are both misleading and irresponsible – while Congress has made small reductions to O&M funding totals in past years, it has done so in areas that have little or no impact on readiness, and has often done so in an effort to increase the budgets for those areas that are most critical to military readiness (see “Readiness Vs. O&M” on page 9). As such, for the sixth consecutive year, the committee recommends increasing funding for critical readiness accounts by more than \$1.4 billion, including:

- \$660 million for real property maintenance;
- \$257 million for depot maintenance;
- \$204 million for ship depot maintenance;
- \$157.3 million for training and training range improvements at the military services premier training facilities;

- \$91 million for pre-positioned equipment and parts to help U.S. forces to deploy more rapidly and efficiently; and
- \$45 million for deployment spare parts for aircraft squadrons.

“Readiness” Vs. O&M. Of the major elements in the defense budget, the least understood are the O&M accounts. At more than \$100 billion, O&M funding accounts for the largest share of the annual defense budget request and is traditionally considered the “readiness” account. However, O&M accounts include much more than core readiness spending – in addition to paying for the day-to-day operations of the military services’ training, supply, and equipment maintenance, O&M accounts fund DOD’s administrative functions, environmental restoration, cooperative threat reduction efforts, humanitarian assistance, and many other programs. Whatever the merits of these programs, they are related only marginally to the readiness of U.S. forces to fight the nation’s wars.

As the military is called upon to do more and more, and as long as resources are constrained, the committee will continue to make tough decisions to cut non-warfighting readiness O&M programs in order to bolster higher priority critical readiness accounts. This year, reductions in O&M programs include:

- \$200 million from excess balances in foreign currency exchange accounts;
- \$74 million from headquarters management accounts (See “Management Headquarters” page 28);
- \$57.2 million to trim growth in the Joint Chiefs of Staff Exercise program; and
- \$50.5 million from overestimated civilian personnel accounts.

Training Accounts. Training equipment and base facilities at many training ranges are in urgent need of repair and upgrade. Therefore, the committee recommends adding \$157.3 million to the President’s request for range modernization, environmental management, center improvements, and various training exercises.

Improving the Readiness Reporting System. Current law requires the Secretary of Defense to provide Congress with a quarterly report on the readiness of the U.S. military. However, these reports lack information critical to assessing the funding for readiness-related requirements of the U.S. military. Therefore, the committee recommends a provision to require the Secretary of Defense to report whether adequate funding is being programmed for identified military readiness and capability shortfalls.

Cannibalization of Aircraft and Vehicles. Increasing reports of “cannibalization” of aircraft and vehicles – the stripping of parts from one vehicle or aircraft in order to repair another – are of great concern. Largely due to spare parts shortages, cannibalization creates extra work for already over-worked maintenance crews and increases the risk of damaging parts in the process. Therefore, the committee recommends a provision to require the Secretary of Defense to include cannibalization rates and efforts to reduce cannibalization in DOD’s quarterly readiness reports.

Reserve Component Readiness. The committee recommends \$443 million (\$221 million more than the President's request) for facilities enhancements to improve the training and readiness of the National Guard and reserves, including:

- \$129 million for the Army National Guard;
- \$110 million for the Air National Guard;
- \$104 million for the Army Reserve;
- \$56 million for the Navy and Marine Corps Reserves; and
- \$41 million for the Air Force Reserve.

Training Ammunition. Despite added funding in each of the past five years, each of the military services continue to experience shortfalls in their stocks of training ammunition. In some instances, these shortfalls have forced the military services to use war reserve ammunition for training purposes. Accordingly, the committee recommends \$40.5 million more than the President's request for procurement of sufficient training ammunition for the Army and Marine Corps to ensure that military personnel are able to maintain an adequate level of readiness and, in some cases, the minimum level of training.

Meeting the Recruiting and Retention Challenge

The committee continues to be concerned with the services' ability to recruit and retain a quality force. Although congressional support for recruiting and retention has been substantial (over \$400 million in additional funding over the last three years), the Army, Army Reserve, Navy, Naval Reserve, Air Force, and Air Force Reserve all failed to achieve recruiting goals in fiscal year 1999 and continue to have recruiting difficulties in fiscal year 2000. While much of the problem is due to increased college attendance, reduced youth population, and record low unemployment rates, inadequate and inconsistent funding for recruiting and retention programs exacerbates the problem. Indeed, the services reported \$704 million in unfunded requirements in recruiting and retention programs for fiscal year 2000 alone. In addition, the budget request funded recruiting and retention accounts at considerably lower levels for fiscal year 2001 than what the armed services expect to spend during fiscal year 2000. In an effort to reduce this shortfall, the committee recommends \$217.6 million in addition to the amounts requested in the budget for recruiting and retention programs.

In recent years, each of the military services has found it increasingly difficult to convince key personnel to remain in the force. According to a recent *Washington Post* article, "junior officers are voting with their feet. In 1989, at the end of the Cold War, 6.7 percent of Army captains left the service voluntarily. In 1999, that number had climbed to 10.6 percent – a 58 percent increase. When asked about their intentions, about as many lieutenants and captains now say they intend to leave the service as to stay, a huge difference from 10 years ago, when only 22 percent intended to leave and 52 percent planned to make a career in the service." In an effort to attack retention problems, the committee recommends a series of provisions aimed at improving those programs that most directly affect service personnel and their families.

Basic Military Pay. The committee recommends a 3.7 percent military pay raise (matching the President's request), effective January 1, 2001. This pay raise is .5 percent above the Employment Cost Index (ECI), and will reduce the "pay gap" between military and civilian pay as measured by the ECI to approximately 10.9 percent.

Housing Allowance. The committee has long supported efforts to reduce out-of-pocket housing costs for service members. As such, the committee recommends provisions to eliminate the statutory requirement that service members pay for 15 percent of housing costs from their own pockets and to authorize the Secretary of Defense to increase basic allowance for housing rates so that out-of-pocket housing expenses for military members are reduced to zero by fiscal year 2005. The committee also recommends an additional \$30 million to reduce out-of-pocket housing costs below the 15 percent envisioned in the administration's proposal.

Active Duty Special Pay and Bonuses. The committee recommends a provision to extend the authority for several special pays and bonuses for active duty personnel through December 31, 2001, including:

- aviation officer retention bonus;
- reenlistment bonus for active members;
- special pay for nuclear qualified officers extending the period of active service;
- nuclear career accession bonus; and
- nuclear career annual incentive bonus.

For additional information on the committee's recommendations for active duty enlistment bonuses, see page 12.

Reserve Forces Special Pay and Bonuses. The committee recommends provisions to extend certain special pays and bonuses for reserve personnel through December 31, 2001, including:

- special pay for health care professionals who serve in the selected reserve in critically short wartime specialties;
- selected reserve reenlistment bonuses;
- special pay for selected reserve enlisted who are assigned to certain high priority units;
- ready reserve enlistment and reenlistment bonus;
- selected reserve affiliation bonus;
- prior service enlistment bonus; and
- authority for repayment of educational loans for certain health professionals who serve in the selected reserve (extended to January 1, 2002).

For additional information on the committee's recommendations for reserve enlistment bonuses, see page 12.

Other Special Pays and Bonuses. The committee recognizes the importance of special pays and bonuses to the military services' retention efforts. Therefore, the committee recommends provisions to:

- increase the initial uniform allowance paid to officers from \$200 to \$400, and the additional uniform allowance from \$100 to \$200;
- authorize service secretaries to restructure career sea pay and to increase career sea pay to as much as \$750 per month and premium sea pay to as much as \$350 per month after 36 months of sea duty (effective October 1, 2001);
- authorize service secretaries to reimburse military personnel for mandatory pet quarantine fees for up to two household pets up to a maximum of \$275 when resulting from a permanent change of station; and
- increase the maximum for special duty assignment pay (effective October 1, 2001) from \$275 to \$600 per month.

Reserve Retirement Points. The committee recommends a provision that would increase from 75 to 90 the maximum number of days per year that reservists may accrue as credit towards retirement benefits. This provision will encourage reservists to earn more points each year by attending drills, performing annual training, and completing correspondence courses.

Enlistment and Reenlistment Bonuses. In determining where to allocate additional funding, the committee gave priority to bonuses because not only have they demonstrated to be consistently effective in improving recruiting and retention, but also because they put money directly into service members' pockets – a continuing goal of the committee. Thus, of the total \$217.6 million in recruiting and retention funding added by the committee, \$153.7 million went to bonuses. Specifically, the committee recommends an additional:

- \$50 million for the Army,
- \$12 million for the Army National Guard,
- \$12 million for the Army Reserve,
- \$24 million for the Navy,
- \$2.4 million for the Navy Reserve,
- \$8 million for the Marine Corps,
- \$36.5 million for the Air Force, and
- \$8.8 million for the Air Force Reserve.

In addition, the committee recommends provisions to authorize enlistment bonuses of up to \$20,000 (effective October 1, 2001) and to extend the authorities for enlistment bonuses for active duty personnel with critical skills, selected reserve, ready reserve, and for reserves with prior service through December 31, 2001. The committee's actions on other bonuses and pay are listed under "Special Pay and Bonuses" on page 11.

Reserve Officer Training Corps (ROTC). The Army and Air Force senior ROTC programs continue to struggle to meet officer-commissioning goals. DOD projects that the Army may miss its fiscal year 2000 goal by 20 percent and the Air Force may miss its fiscal year 2000 goal by five percent. According

to the services, one reason for these shortfalls is that the current \$200 monthly stipend paid to ROTC cadets is insufficient to attract and retain people in the ROTC program. Therefore, the committee recommends a provision to increase the minimum monthly stipend to \$250, and to authorize the payment of a tiered set of stipends, up to a monthly maximum of \$600. Finally, the committee authorizes an additional \$7 million to support Army ROTC recruiting.

Shaping the Force

Active Duty End Strengths. The committee recommends increasing the President's request for active duty end strengths to accommodate high priority unfunded requirements of the Chief of Naval Operations for recruiters and crew for an additional attack submarine that is being retained in the force structure. The committee also continues to believe it necessary to retain end strength floors, particularly considering the lack of commitment by the services to sustain manpower levels with adequate resources.

Fiscal Year 2001 Endstrength - Active Forces					
<i>Service</i>	<i>FY 2000 Level</i>	<i>FY 2001 Request</i>	<i>FY 2001 Recommendation</i>	<i>Change from FY 2001 Request</i>	<i>Change from 2000 Level</i>
Army	480,000	480,000	480,000	0	0
Navy	372,037	372,000	372,642	642	605
USMC	172,518	172,600	172,600	0	82
Air Force	360,877	357,000	357,000	0	-3,877
Total	1,385,432	1,381,600	1,382,242	642	-3,190

Selected Reserve End Strengths. The committee recommends selected reserve end strengths as follows:

Fiscal Year 2001 Endstrength - Selected Reserve					
<i>Service</i>	<i>FY 2000 Level</i>	<i>FY 2001 Request</i>	<i>FY 2001 Recommendation</i>	<i>Change from FY 2001 Request</i>	<i>Change from 2000 Level</i>
ARNG	350,000	350,000	350,706	706	706
USAR	205,000	205,000	205,300	300	300
USNR	90,288	88,900	88,900	0	-1,388
USMCR	39,624	39,500	39,558	58	-66
ANG	106,678	108,000	108,000	0	1,322
ASAFR	73,708	74,300	74,358	58	650
USCGR	8,000	8,000	8,000	0	0
Total	873,298	873,700	874,822	1,122	1,524

Army National Guard and Army Reserve Full Time Personnel. The committee recommends increases to the President's request for selected reserve end strength for full-time Active Guard and Reserve personnel in the Army National Guard, the Army Reserve, and the Air Force Reserve, as well as for full time Active Reservists in the United States Marine Corps Reserve. To fund these increases, the committee recommends an additional \$23.5 million, \$10 million, \$2.1 million, and \$1.9 million for the military personnel accounts of each of the respective components. In addition, the committee recommends increasing the President's budget request for the Army National Guard by \$30.5 million for an additional 1,035 military technicians (dual status) and increasing the President's budget request for the Army Reserve by \$20.5 million for an additional 650 military technicians (dual status). These full-time personnel directly contribute to the readiness of the selected reserve and enhance the ability of the National Guard to assist, supplement, and substitute for the active components in meeting peacetime contingency requirements.

Mandatory Retirement of Non-Dual Status Military Technicians. The committee remains concerned by the significant number of non-dual status military technicians in the Army Reserve. Last year, the committee initiated legislation intended to reduce the numbers of non-dual status technicians while providing for a process that minimized the impact on the technicians being separated. However, the committee has learned that this legislation has not worked as intended, and that some non-dual status technicians would have been forced to retire without adequate notice. Therefore, the committee recommends a provision that authorizes the Secretary of the Army to retain certain non-dual status reserve technicians until age 60.

BUILDING TOMORROW'S MILITARY

More than four years ago, then-Chairman of the Joint Chiefs General Shalikashvili testified that \$60 billion is the minimum annual funding level required by the military to modernize aging equipment. For the first time, the President's fiscal year 2001 budget reached this mark – but enthusiasm for meeting this milestone is tempered by the fact that, for the sixth consecutive year, the procurement request is below the level forecast in the previous year. As such, it is not surprising that the service chiefs annually list billions of dollars in modernization requirements as unfunded. To address some of these shortfalls, Congress has added nearly \$18 billion to the President's procurement budgets over the past five years. Despite these efforts and calls for increased modernization spending from former Secretary of Defense William Perry and former Deputy Secretary of Defense John Hamre, the Administration's long-term defense budget plans continue to forecast reductions to procurement budgets in fiscal years 2004 and 2005. The committee believes this plan is shortsighted and that the President's fiscal year 2001 defense procurement budget is inadequate. Therefore, the committee recommends \$62.3 billion (\$2 billion more than the President's request) for procurement of weapons, ammunition, and equipment – marking the sixth consecutive year that Congress has increased the President's procurement budget. By providing additional funds and reprioritizing programs within the budget request, the committee was able to satisfy \$1.8 billion of listed unfunded requirements.

Likewise, the research and development budget falls far short of meeting current and future requirements. Not only is the President's fiscal year 2001 budget proposal for research and development \$426.7 million below the fiscal year 2000 level, but the President's fiscal year 2001 request for basic and applied research and advanced development is \$853.3 million below the fiscal year 2000 level. Research and development programs are the keystones of maintaining U.S. military technological superiority in the future. Therefore, the committee recommends \$39.3 billion (\$1.4 billion more than the President's request) for research and development programs. Within this total, the committee met \$910.5 million worth of the unfunded requirements of the service chiefs and DOD agencies.

Ballistic Missile Defense (BMD)

Developing and fielding effective theater and national missile defenses to counter rapidly evolving ballistic missile threats remain among the committee's highest priorities. The committee recommends \$5.2 billion for ballistic missile defense, which includes an increase of \$283.2 million over the President's request and a transfer of management authority for the Space Based Infrared System-Low and the Airborne Laser program from the Air Force to Ballistic Missile Defense Organization (BMDO). This total includes the programs below.

National Missile Defense (NMD). The committee recommends \$2.2 billion (\$85 million more for research and development than the President's request and a transfer of \$241 million from the Air Force for Space Based Infrared System-Low) for NMD research and development, procurement, and

related military construction requirements. The additional funds will allow BMDO to reduce NMD program risks, a BMDO unfunded requirement.

Theater Missile Defense (TMD). Iran's continued development of medium range ballistic missiles and North Korean deployment of ballistic missiles capable of striking South Korea, Japan, and U.S. military forces deployed in northeast Asia underscore the importance of quickly developing and fielding theater missile defenses. Therefore, the committee recommends the following for TMD programs:

- \$550 million (matching the President's request) for the Theater High Altitude Air Defense (THAAD) program;
- \$63.2 million (matching the President's request) for the Medium Extended Air Defense System (MEADS);
- \$407.7 million (\$25 million more than the President's request) for the Navy's Theater Wide program;
- \$274.2 million for development of the Navy Area Defense program (matching the President's request); and
- \$430.7 million (\$65.2 million more than the President's request) for procurement of additional PAC-3 missiles, one of the Director of BMDO's unfunded requirements.

In addition, the committee recommends a provision to require the Director of BMDO to develop a plan to adapt ballistic missile defense systems and architectures to counter potential intermediate range ballistic missile threats to the United States, deployed U.S. forces, and U.S. national security interests.

BMD Technology. Efforts to develop advanced BMD technologies are languishing as current generation BMD programs enter procurement. As the President's budget request includes insufficient BMDO funds to keep pace with expected threats, the committee recommends \$509.7 million (\$108 million more than the President's request) for BMD technology development.

Aircraft

(Listed Alphabetically)

Airborne Reconnaissance Low (ARL). ARL aircraft support intelligence collection requirements for forward-deployed force projection, operations other-than-war, and mid-intensity conflicts. The final ARL aircraft validated by the Joint Requirements Oversight Council remains unfunded, was included on the unfunded requirements list of the Chief of Staff of the Army, and is needed to replace the ARL-imagery intelligence (I) aircraft lost in South America in July 1999. The ARL-Multifunction (M) aircraft possesses integrated imagery intelligence, communications intelligence, a moving target indicator, and synthetic aperture radar, which offers a broader intelligence collection capability than the ARL-I aircraft. In support of this requirement, the committee recommends \$31 million (the President's request did not include any funds) for one ARL-M replacement aircraft.

B-2 Spirit. In 1998, the Long Range Airpower Review panel recommended upgrades to the current U.S. bomber fleet, particularly improvements to the B-2 fleet. The committee supports this conclusion and recommends \$142.3 million (\$94 million more than the President's request) for modification of the B-2 fleet. The additional funds will be used to enhance B-2 capabilities through the development of the smart bomb rack assembly that will allow the B-2 to carry small "smart" munitions, an unfunded requirement, integration of the Link-16 datalink, and development of a center instrument display.

C-17 Globemaster. The committee recommends \$2.2 billion to procure 12 C-17 aircraft (matching the President's request) and \$14.9 million for one C-17 Weapon System Trainer (the President's request did not include any funds), one of the top unfunded requirements of the Chief of Staff of the Air Force. The committee also recommends an increase of \$11 million for a maintenance training system (MTS) for the Air National Guard's future C-17 unit, which is scheduled to receive C-17 aircraft in fiscal year 2003 and will use the MTS to qualify its maintenance personnel prior to aircraft arrival.

C-40A Clipper. The committee recommends \$54 million (the President's request did not include any funds) for one C-40 aircraft in support of the top unfunded Naval Reserve requirements of the Chief of Naval Operations. The C-40 is a long-range airlift aircraft used to transport high priority passengers and cargo, and will replace the aging C-9 aircraft.

E-2 Hawkeye. The Hawkeye performs the Navy's airborne early warning and command and control functions for the carrier battle group. In addition to supporting the President's \$162.3 million request for four new-production E-2Cs, the committee recommends \$57.5 million (\$39 million more than the President's request) for E-2 Hawkeye modifications. The additional funds will upgrade one aircraft to the Hawkeye 2000 configuration, a significantly more capable version that includes satellite communications, a commercial off-the-shelf high-capacity computer, and cooperative engagement capability, one of the top unfunded requirements of the Chief of Naval Operations.

E-8C Joint Surveillance and Target Attack Radar System (JSTARS). The E-8C JSTARS is an aircraft equipped with a long-range, air-to-ground surveillance system designed to locate, classify, and track ground targets in all weather conditions. These "low-density, high demand" aircraft are among the most sought-after assets by regional commanders-in-chief for a range of reconnaissance and surveillance operations and were combat-proven in Operation Allied Force in the Balkans. Although the Joint Requirements Oversight Council established a requirement for 19 JSTARS, DOD has only budgeted for 15. Since fiscal year 1999, Congress has annually provided additional advance procurement funding to maintain the E-8C production line and to build additional aircraft. While the committee is encouraged that DOD funded the 15th JSTARS aircraft in its budget request, DOD plans to shut down the E-8C production line after production of the 15th plane despite the requirement for 19 aircraft. Therefore, the committee recommends \$40 million (the President's request did not include any funds) for advanced procurement of a 16th E-8C JSTARS aircraft, one of the unfunded requirements of the Chief of Staff of the Air Force.

EA-6B Prowler. As both the Navy and Air Force's primary electronic warfare aircraft, the Prowler protects U.S. aircraft and ships by jamming enemy radar and communications. However, the current fleet of EA-6Bs is not equipped with the AN/ASW-41 automatic flight control system, which provides automatic speed, attitude, and altitude control capabilities and increases mission capable rates by improving reliability and reducing maintenance. In support of the unfunded requirement of the Chief of Naval Operations for this system, the committee recommends \$226.1 million (\$21 million more than the President's request) for 124 AN/ASW-41 systems and an additional \$2 million more than the President's request for anti-jam radios.

F-15 Eagle. The F-15E is an all-weather, deep penetration, air-to-surface attack aircraft. The F-15E fleet has recently suffered from very high operational tempos and the committee believes that additional attrition reserve aircraft should be procured. Therefore, the committee recommends \$149.8 million (the President's request did not include any funds) for two F-15E aircraft. The committee also recommends \$358.2 million (\$100 million more than the President's request) for F-15 modifications and upgrades. These upgrades will provide increased engine safety, reliability, and performance, and improved combat survivability – allowing the F-15A, B, C, and D models to remain the Air Force's primary air superiority fighter until the F-22 enters service later in this decade.

F-16 Falcon. In support of the unfunded requirements for both the Chief of Staff of the Air Force and the Chief of the Air National Guard, the committee recommends \$51.7 million (the President's request did not include any funds) to procure three F-16C aircraft. Additionally, the committee recommends \$298.1 million (\$49.3 million more than the President's request) for various F-16 modifications to enhance offensive capabilities, improve countermeasure systems, and decrease maintenance costs.

F/A-18 Hornet. The F/A-18 Hornet is the primary strike aircraft for both the Navy and the Marine Corps. While production of the F/A-18E/F started three years ago, the Marine Corps and Naval Reserve continue to fly several older F/A-18As, which lack important avionics and weapons capabilities of later version Hornets. In support of both the Navy's and Marine Corps' unfunded requirement lists, the committee recommends \$316.3 million (\$103.7 million more than the President's request) for F-18 series modifications to procure kits to upgrade F/A-18As to more capable configurations and for an updated forward-looking infrared targeting pod. Furthermore, the committee recommends \$2.6 billion for procurement of 39 F/A-18E/F Superhornets (\$205.8 million and three aircraft less than the President's request).

F-22 Raptor. The F-22 Raptor is the Air Force's next-generation air dominance fighter. The committee supports the President's requests for \$1.4 billion for research and development, \$2.1 billion for ten low-rate initial production (LRIP) aircraft, and \$396.1 million for advance procurement of 16 LRIP aircraft in fiscal year 2002.

Joint Strike Fighter (JSF). The JSF is planned to be a high technology, affordable, next-generation, multi-role, single-engine combat aircraft based on a common airframe and components for use by the Air Force, Navy, and Marine Corps. The committee supports the President's requests for \$856.6 million for JSF (\$427.6 million for Navy JSF development and \$429 million for Air Force JSF development). Addition-

ally, the committee continues to believe in the importance of alternate engine development for the JSF fleet. Therefore, the committee recommends \$15 million more than the President's request to accelerate development and flight-testing of this effort. However, the committee believes that, in light of the program's scope and technological advances, the Secretary of Defense should take all necessary measures to ensure that the JSF program's critical technologies are sufficiently mature before entry into the engineering manufacturing and development (EMD) phase. Consequently, the committee recommends a provision that would limit the JSF program's approval to proceed beyond the demonstration and validation phase until the Secretary of Defense certifies that the technological maturity of the JSF program's key technologies is sufficient to warrant its entry into EMD.

KC-130J Hercules. The KC-130J is a transport plane that also serves as a refueling aircraft. The J-variant will replace the Marine Corps' older F-, R-, and T-models, providing increased range, cruise ceiling, maximum speed, and decreased take-off distance. The Marine Corps' inventory of KC-130s contains primarily F-variants, which are approaching 40 years of age, and current plans to replace the aircraft with KC-130Js will result in a shortfall of 15 aircraft as early as 2001. Therefore, the committee recommends \$231.1 million to procure three KC-130J (\$76.3 million and one aircraft more than the President's request) for the Marine Corps, one of the unfunded requirements of the Commandant of the Marine Corps.

T-45A Goshawk. The T-45 is the Navy's intermediate and advanced level undergraduate pilot training aircraft. Since the Chief of Naval Operations identified additional T-45 aircraft among his unfunded requirements in fiscal year 2001, the committee recommends \$301.4 million for 14 T-45 aircraft (\$32.8 million and two aircraft more than the President's request).

UC-35 Encore. The UC-35 is a long-range, medium-lift aircraft that will replace the aging CT-39. The committee recommends \$22.8 million (the President's request did not include any funds) for three UC-35 aircraft (\$7.6 million for one Army aircraft and \$15.2 million for one aircraft each for the Navy and Marine Corps) to address unfunded requirements of the Chief of Staff of the Army, the Chief of Naval Operations, and the Commandant of the Marine Corps.

V-22 Osprey. The committee recommends \$1.1 billion (matching the President's request) for procurement of 16 MV-22 aircraft. In addition, the committee recommends \$142.7 million (\$9.2 million more than the President's request) to accelerate development of the CV-22 Special Operations Variant.

Helicopters

(Listed Alphabetically)

CH-60S. The committee recommends \$207 million for 17 CH-60S helicopters (\$41.9 million and two helicopters more than the President's request). The CH-60S will replace the H-46 by meeting combat support requirements for cargo and personnel transfer, medical evacuation, and search and rescue and is one of the top unfunded requirements of the Chief of Naval Operations.

HH/UH-1N Huey. The HH/UH-1N reclamation and conversion program restores old Huey helicopters for entry into a remanufacturing line to rebuild the aircraft, a program identified by the Chief of Naval Operations and the Commandant of the Marine Corps as a critical unfunded requirement. The committee recommends \$17.5 million (the President's request did not include any funds) for the HH/UH-1N reclamation and conversion program for 14 helicopters.

RAH-66 Comanche. Comanche development began in 1982 to fulfill the Army's requirement for an armed reconnaissance helicopter, and has recently completed milestone requirements to enter the EMD stage. Warfighting experiments at the National Training Center have validated the need for the Comanche in tomorrow's Army, and the Army's recent Aviation Modernization Plan emphasizes the importance of the Comanche. The committee applauds the Secretary of the Army for increasing Comanche funding above the previously projected level, and recommends \$614 million (matching the President's request) for Comanche development.

TH-67 Creek. The retirement of Vietnam-era helicopters is creating a shortage of quality training helicopters for Army aviators. While the Army had to be directed by Congress to develop an Aviation Modernization Plan, it had no plans to replace these helicopters and the Chief of Staff of the Army identified additional Creek helicopters as an unfunded requirement. Therefore, the committee recommends \$24 million (the President's request did not include any funds) for 19 TH-67 helicopters.

UH-60 Blackhawk. The Blackhawk is the Army's primary utility helicopter for air assault, general support, and medical evacuation missions, and is listed by the Chief of Staff of the Army as a critical unfunded requirement. The committee recommends \$154.9 million for nine UH-60L Blackhawks and three UH-60Q enhanced medical evacuation helicopters (\$68.1 million, three UH-60Ls, and three UH-60Qs more than the President's request) for the Army National Guard.

Unmanned Aerial Vehicles (UAVs)

Global Hawk UAV. The Global Hawk UAV has the potential to provide significant intelligence, surveillance, and reconnaissance support to the military. Therefore, the committee recommends \$109.2 million (matching the President's request) for the Global Hawk UAV program.

Predator UAV. Over the past several years, the Predator has proven its usefulness in missions in the Balkans by flying over 600 missions in support of NATO, United Nations, and U.S. operations. The committee recommends \$32.1 million (\$12 million more than the President's request) to upgrade existing Predator ground stations with commercial hardware, to integrate a capability to control multiple UAVs simultaneously, and to improve air vehicle reliability and maintainability.

Munitions

Precision-Guided Munitions (PGMs). In military operations since the Persian Gulf War, the military services have increased the use of PGMs, reducing the risk to U.S. military personnel and collateral damage around enemy targets, while enhancing the effectiveness of U.S. weapons platforms. However, operations in the Balkans have exposed shortfalls in several PGM stocks. Therefore, the committee recommends the following:

- \$244.2 million (matching the President's request) to procure Joint Direct Attack Munitions (JDAMs) (\$220 million for 9,098 for the Air Force and \$24 million for 672 for the Navy), weapons heavily used during recent air operations over Kosovo;
- \$206.6 million (\$35 million and 175 weapons more than the President's request) for 811 Joint Standoff Weapons, a precision-guided, air-to-ground glide weapon listed as one of the top unfunded requirements of the Chief of Naval Operations;
- \$57.9 million (\$30 million and 60 missiles more than the President's request) for 90 Stand-off Land Attack Missile – Expanded Response (SLAM-ER) missiles. This system will meet the Navy's requirement for an advanced air-launched, standoff land attack system, and is a top unfunded requirement of the Chief of Naval Operations;
- \$55 million (the President's request did not include any funds) for 750 Hellfire II missiles, one of the top unfunded requirements of the Chief of Naval Operations;
- \$7 million (\$5 million more than the President's request) to convert older AGM-65 Maverick missiles to an updated infrared and electro-optical configuration. Over 5,300 Mavericks were fired in Operation Desert Storm in the Persian Gulf and over 800 were used in Operation Allied Force in the Balkans;
- \$86.1 million (the President's request did not include any funds) to develop the Extended Range Cruise Missile to replace the conventional air-launched cruise missile, one of the unfunded requirements of the Chief of Staff of the Air Force; and
- \$372.2 million (matching the President's request) for 3,754 Javelin anti-tank missiles.

Shipbuilding Programs (Listed Alphabetically)

Auxiliary Dry Cargo Ship (ADC(X)). The committee recommends \$339 million (matching the President's request) for procurement of the second ADC(X) and transfers the funding to the National Defense Sealift Fund to more appropriately reflect the sealift and logistics mission of the

class of ships. The committee also recommends an additional \$10 million for engineering efforts to support construction of the ADC(X)-class ship at two shipyards.

CVN-77 and CVN(X). The CVN-77 will serve as the transition ship from the *Nimitz*-class of nuclear aircraft carriers to the next-generation CVN(X) aircraft carrier. The committee recommends \$4.1 billion (matching the President's request) for procurement of CVN-77 and \$21.9 million (matching the President's request) for advance procurement of CVN(X). The committee also recommends fully funding the President's request for aircraft carrier research and development with \$38.3 million for the CVN-77 and \$236.1 million for the CVN(X) (including \$99.2 million for advanced nuclear power system development).

DDG-51. The committee recommends \$3.1 billion (matching the President's request) for procurement of three *Arleigh Burke*-class AEGIS destroyers. The committee also authorized extension and modification of the DDG-51 multiyear procurement contract to support the procurement of up to three ships per year through fiscal year 2005.

Future Navy Surface Combatants. The committee strongly supports the Navy's program for development of the next-generation surface combatant, the DD-21 land attack destroyer, and recommends a total of \$543.7 million (\$6 million less than the President requested). The committee's recommendation includes \$101.9 million for development of an advanced gun system and \$19.8 million to initiate development of an advanced land attack missile system for the DD-21 (matching the President's request). The committee also recommends \$143 million for the development of land attack technology for the current generation of surface combatants such as the DDG-51 *Arleigh Burke*-class destroyers and CG-47 *Ticonderoga*-class cruisers, including \$39.1 million to continue development of the Extended Range Guided Munition and \$22.2 million for the Land Attack Stand-off Missile (matching the President's request).

LPD-17. The committee recommends \$1.5 billion (matching the President's request) for procurement of the fifth and sixth *San Antonio*-class amphibious ships.

New Attack Submarine (NSSN). The committee recommends \$1.7 billion (matching the President's request) for procurement of the third boat in the *Virginia*-class of submarines, which will replace retiring *Los Angeles*-class submarines and will constitute the bulk of the future attack submarine force, and \$209.1 million for NSSN engineering and manufacturing development (\$2 million more than the President's request). The committee also provided authority to the Secretary of the Navy to enter into a block buy contract for five *Virginia*-class submarines during fiscal years 2003 through 2006.

Ground Weapons and Vehicles (Listed Alphabetically)

Advanced Amphibious Assault Vehicle (AAAV). The committee recommends \$165.5 million (\$27.5 million more than the President's request) to accelerate development of the AAAV, a high-

water speed, amphibious, armored personnel carrier that will replace the Marine Corps' aging fleet of amphibious assault vehicles.

Future Combat System. The Army has begun the process of transforming its organization into a more strategically responsive force that is dominant across the full spectrum of operations. This transformation began this year with a partnership between the Army and the Defense Advanced Research Projects Agency (DARPA) to incorporate high-risk/high-gain technologies into a family of future combat systems as directed by the committee in the National Defense Authorization Act for Fiscal Year 2000 (P.L. 106-65). The committee is encouraged by the Army's vision for the future, particularly the capabilities of future combat vehicles and automotive advanced technology. Therefore, the committee recommends \$504 million (\$46 million more than the President's request) for the future combat system.

Grizzly Breacher. The Breacher will be used by combat engineers to clear minefields and complex obstacles on the forward edge of the battlefield. This vehicle will replace several existing breaching systems and possesses the maneuverability and speed necessary to support future armor forces. However, the President's budget eliminated funding for this program in order to pay for Army Transformation efforts – accordingly, it is the second-highest unfunded modernization requirement for the Chief of Staff of the Army for fiscal year 2001. The committee believes that termination of the Breacher was shortsighted and recommends \$79.6 million (\$59.6 million more than the President's request) to complete development of the Breacher system and \$20 million (the President's request did not include any funds) to begin production line facilitization.

Hercules Improved Recovery Vehicle (IRV). The committee recommends \$57.1 million (\$14.5 million more than the President's request) to upgrade 21 M88A1 recovery vehicles to the more capable M88A2 Hercules IRV variant for the Marine Corps, which was the second highest ground modernization unfunded requirement of the Commandant of the Marine Corps. The committee also included \$8.3 million (the President's request did not include any funds) for IRVs for the Army Reserve. The A2 upgrade has greater engine horsepower, and braking, steering, winch, lift, and suspension capabilities that permit it to recover Abrams tanks and other heavy combat systems.

High Mobility Artillery Rocket Systems (HIMARS). The committee recommends \$17.3 million (the President's request did not include any funds) for two HIMARS systems for test and evaluation by the Marine Corps. This highly mobile and transportable rocket artillery system is an unfunded requirement of the Commandant of the Marine Corps and will be evaluated for filling a critical fire support shortfall.

High Mobility Multipurpose Wheeled Vehicle (HMMWV). The committee recommends \$147.4 million (\$23 million more than the President's request) for HMMWVs, a four-wheel drive utility and logistics vehicle that is the number one ground unfunded requirement for the Commandant of the Marine Corps.

Lightweight 155mm Howitzer. The lightweight 155mm towed howitzer will be the Marine Corps' sole artillery weapon once it replaces the aging M198 Howitzer, and will provide fire support for the Army's new medium weight brigades. The committee recommends \$15.3 million (\$3.2 million more than the President's request) for research and development and \$11.1 million (matching the President's request) to begin procurement for this program.

M1A2 Abrams Tank. The M1A2 Abrams System Enhancement Program (SEP) tank is a key component of the Army's heavy forces and will remain so through the year 2020. Therefore, the committee recommends \$512.8 million (matching the President's request) for M1A2 SEP Abrams tanks and recommends \$55 million (\$18.9 million more than the President's request) for M1 Abrams tank modifications, including under armor auxiliary power units.

M113A3 Carrier. One of the highest unfunded requirements for the Chief of Staff of the Army for fiscal year 2001 is the upgrade of the M113A3 troop carrier. The committee recommends \$95.1 million (\$50 million more than the President's request) for the upgrade program, which will add 20 years of service life to the vehicle and increase reliability and safety.

M249 Squad Automatic Weapon (SAW). The M249 SAW is a highly effective lightweight machine gun used by Army airborne, infantry and air cavalry units. In support of the unfunded requirements of the Chief of Staff of the Army, the committee recommends \$18.3 million (the President's did not include any funds) for 4,280 SAWs, which will complete the Army's procurement objective for these weapons.

Wolverine Heavy Assault Bridge (HAB). The HAB is a mobile bridge that may be deployed in five minutes, retrieved from either end in less than ten minutes, and can support up to 70-ton vehicles. Like the Grizzly Breacher, the President's budget would terminate this program in order to pay for Army Transformation efforts, even though Congress has provided multi-year procurement authority and additional funds for HAB in recent years, and it is the top unfunded modernization requirement of the Chief of Staff of the Army for fiscal year 2001. To restore this program, the committee recommends \$59.2 million for 12 HABs and \$13.1 million for advance procurement of HABs in fiscal year 2002.

National Guard and Reserve Equipment (Listed Alphabetically)

Bradley Fighting Vehicle Modifications. Both the Army and the Army National Guard rely upon the Bradley Fighting Vehicle as their primary infantry support vehicle. While the Army plans to upgrade its entire Bradley fleet to highly survivable A3, A2, and ODS variants, the Army National Guard continues to rely upon the far less-survivable first-generation Bradley A0-variant. This plan is of particular concern since the Army intends to use Army National Guard enhanced brigades to augment its active forces, which will result in the deployment of Bradley A0s. Therefore, the committee recommends \$81.3 million (the President's did not include any funds) to upgrade 65 Army National Guard

Bradley vehicles to combat-capable specifications. In addition, the committee recommends \$379.4 million (matching the President's request) to upgrade active-Army Bradleys.

Enhanced Position Location Reporting System (EPLRS) Radios. The EPLRS radio system provides secure, jam-resistant communications to ground units while allowing battlefield commanders to track the location of their forces. Although the EPLRS radio is the Army's and Marine Corps' primary position location reporting system, the President's budget request included no funds for the system for the Army National Guard. In light of the increasing role of the Army National Guard in the Army's force structure plans, the committee recommends \$51.2 million (\$18.5 million more than the President's request) to procure EPLRS radios for one Army National Guard enhanced brigade.

Radio Systems. The Single Channel Ground and Airborne Radio Systems (SINCGARS) family provides military commanders with a reliable, secure command and control capability. The recent Advanced System Improvement Program (ASIP) upgrades older SINCGARS to allow both voice and data capabilities. The committee recommends \$49 million (\$30.7 million more than the President's request) for SINCGARS ASIP radios for one Army National Guard division.

UH-60 Blackhawk Helicopters. The Chief of Staff of the Army identified a \$196 million unfunded requirement in fiscal year 2001 for procurement of 20 additional Blackhawks for the Army National Guard. The committee recommends \$154.9 million to procure six additional Blackhawks for the Army National Guard, for a total of 12 ARNG Blackhawks as noted under "Helicopters" on page 19. Additionally, the committee recommends \$2 million (the President's request did not include any funds) for two Firehawk Aviation Firefighting Conversion Kits for the Army National Guard.

Innovative Technologies (Listed Alphabetically)

Army Transformation. The Army currently lacks medium-weight forces capable of deploying rapidly in response to a full spectrum of contingencies including peacekeeping and humanitarian operations, low intensity conflicts, and full-scale warfare. In support of the Army's initiative to transform into a medium-weight force, the committee recommends \$646 million (matching the President's request) for procurement and research and development of medium-weight armored vehicles.

Information Systems Technology, Superiority, and Security. DOD plays a major role in information protection within the Administration, accounting for approximately \$450 million of the \$606 million in research and development that is specifically included in the President's "National Plan for Information Protection, Version 1.0," which was published earlier this year. DOD has made considerable progress in its program to achieve information superiority, provide information assurance, and protect critical defense infrastructure, but additional work is required, particularly in the areas of operations-other-than-war and asymmetrical conflict. Therefore, the committee recommends \$19.9 billion for DOD's

information technology program, including \$2.5 billion for information technology research, development, test and evaluation, and \$1.2 billion for information assurance (matching the President's request). Additionally, the committee believes that the Secretary of Defense must continue to assign a high priority to resolving critical shortcomings in DOD's information technology program and directs the Secretary to assess those shortcomings and provide recommendations to the Congress by November 1, 2000.

Land Information Warfare Activity (LIWA). LIWA is recognized as being in the lead of security technology and information dominance for computer-based information systems. Most importantly, LIWA has provided valuable assistance to DOD in identifying and countering global security threats to DOD computer infrastructure. The committee recommends an increase of \$3.8 million to develop and operate LIWA, in support of the Chief of Staff of the Army's unfunded requirement list.

Safety and Survivability

(Listed Alphabetically)

Aircraft Survivability Equipment (ASE). Continued proliferation of anti-aircraft weapons has raised the importance of teaching U.S. aircrews to recognize, avoid, and counter ground-to-air threats. The Aircraft Survivability Equipment Trainer IV (ASET IV), a mobile ground-based system that replicates anti-aircraft threats for crews in training, has proven to be a particularly effective teaching tool, even though all the systems have not yet been upgraded to reflect current threats. To ensure that aircrews are able to train in realistic environments, the committee recommends \$8 million (the President's request did not include any funds) to upgrade ASET IV systems with current infrared guided surface-to-air threat simulators.

Aircraft Navigational and Passenger Safety Equipment. Many of the Air Force's passenger and cargo carrying aircraft continue to operate without state-of-the-art navigation and safety equipment. Therefore, the committee recommends \$20 million more than the President's request to accelerate installation of terrain avoidance warning systems, traffic collision and avoidance systems, cockpit voice recorders, flight data recorders, and predictive wind shear radars on passenger-carrying aircraft.

Chemical-Biological Defense. The committee recommends \$845.3 million (\$10 million more than the President's request) for the chemical-biological defense program, including \$473.9 million for procurement of chemical and biological defense materiel and \$371.4 million for research and development. The committee also recommends \$142.1 million for the Defense Advanced Research Projects Agency's biological warfare defense program. The committee notes the considerable progress made in improving cooperation among the military departments and the jointness of chemical biological defense research, development, and procurement since the establishment of the integrated program in 1994, but also notes that there are a number of issues in chemical-biological

medical defense, logistics, readiness, and training that need to be addressed by DOD. The committee recommends the additional funding to support initiatives for research, development and demonstration of advanced chemical and biological defense technologies and systems.

Night Vision Goggles. Each of the military services have indicated an increasing need for night vision devices, systems that give U.S. forces an overwhelming advantage in nighttime operations. The committee recommends \$41.5 million for AN/PVS-7 night vision goggles (\$12 million more than the President's request) and \$8.4 million (the President did not include any funds) for third generation, 25-millimeter image intensification upgrades, both of which were on the unfunded requirements list of the Chief of Staff of the Army. The committee also recommends \$9.9 million to complete procurement of OMNI IV/V night vision goggles for all Navy and Marine Corps helicopter squadrons, both active and reserve (the President's request did not include any funds).

Other Initiatives

Airborne Laser (ABL). The committee recommends \$231 million (\$82.4 million more than the President's request) for ABL, a high-powered laser carried aboard an aircraft that would destroy ballistic missiles in their launch phase. By providing these additional funds, ABL will be funded at a level close to that projected in the fiscal year 2000 budget. Of particular concern is the fact that the Air Force reduced future ABL funding, even though it is a high priority within the larger BMD effort. Therefore, the committee recommends a provision that would make the Office of the Director of BMDO the ABL acquisition executive.

High Energy Laser Initiative. The committee believes that high-energy lasers hold considerable promise for weapons applications, and believes that these efforts deserve greater attention and priority than they have received in the past. In the National Defense Authorization Act for Fiscal Year 2000 (P.L. 106-65), Congress required the Secretary of Defense to submit a High Energy Laser Master Plan outlining a technology management structure and investment strategy. The committee supports DOD's plan as submitted, and recommends a provision to develop a management structure that will allow for better coordination of DOD high energy laser programs and to establish the basis for joint research between DOD and the National Nuclear Security Administration on high-energy lasers. The committee recommends \$60 million more than the President's request for high-energy laser research, including a solid-state laser demonstration by the Army.

ELIMINATING WASTE AND REFORMING DOD'S ORGANIZATION AND BUSINESS PRACTICES

Over the past five years, Congress has taken significant steps to reform antiquated and costly DOD business practices while reducing unnecessary administrative personnel. Despite these efforts, many of DOD's basic support and administrative functions continue to be inefficient and wasteful, annually costing American taxpayers billions of dollars. Therefore, the committee recommends a number of provisions to continue the reform process.

Acquisition Workforce Reductions. Despite several years of congressional efforts to encourage fundamental changes to DOD's acquisition infrastructure, reforms continue to be necessary to address inefficiencies and to free up resources for combat-mission areas. Therefore, the committee recommends a provision to reduce the defense acquisition workforce by 13,000 personnel in fiscal year 2001. Additionally, the committee directs the Secretary of Defense to develop a plan to re-shape DOD's acquisition workforce in order to meet future acquisition requirements.

Acquisition Pilot Program Extension. The committee recommends extending the Acquisition Pilot Program by five years. Congress established the pilot program to test and evaluate a streamlined, defense-specific process for purchasing major military systems. DOD is currently using the Acquisition Pilot Program for five programs including the Joint Direct Attack Munition.

Management Headquarters. Despite a requirement in the National Defense Authorization Act for Fiscal Year 1998 (P.L. 105-85) to reduce its management headquarters personnel levels, DOD continues to resist reductions. In fact, the fiscal year 2001 budget request only reduces management headquarters positions by 734 from the fiscal year 2000 estimate, far below the 3,182 positions required. Accordingly, the committee recommends a decrease of \$74 million for management headquarters activities.

Navy Marine Corps Intranet Contract (NMCI). NMCI is a major information technology effort to contract out all Navy and Marine Corps communication requirements (including telephone, video, and computer services) to a contractor who would own, operate, and maintain the communication systems. Although the program is a multi-billion dollar government contract unprecedented in scope and expense, this initiative was not included in either the fiscal year 2000 or fiscal year 2001 budgets. Furthermore, the General Accounting Office has raised serious concerns about the Navy's acquisition strategy for the program, the absence of basic justification material, and the lack of governmental oversight. The committee believes that a complete financial analysis and thorough discussion of policy issues NMCI are warranted before proceeding with the initiative. Accordingly, the committee recommends a provision to prohibit the Secretary of the Navy from spending funds for the contract in fiscal year 2001 until supporting documentation is provided to Congress.

Review of Legislative Affairs Offices. The committee and the Congress benefit daily from DOD's various legislative affairs offices and rely on them to provide timely and accurate information in response to numerous queries. Over the last few years, the committee has noticed that there is now a legislative affairs or legislative liaison office at nearly every unified and specified command, major military command, and most defense agencies. The committee is concerned that proliferation of these legislative service offices may be diminishing the effectiveness of the primary legislative affairs offices of the Secretary of Defense and the service Secretaries. Therefore, the committee directs the Secretary of Defense to provide a report to Congress that identifies all personnel assigned to legislative affairs and legislative liaison offices throughout the military departments and defense agencies by December 1, 2000.

OTHER INITIATIVES

(Listed Alphabetically)

Center for the Study of Chinese Military Affairs. Last year, Congress passed legislation to create the Center for the Study of Chinese Military Affairs at the National Defense University. DOD established the center on March 1, 2000, but has not identified a source of funding to allow it to proceed with activities for which the center was established. The committee believes that recent developments with respect to China's military reinforce the need to move forward rapidly with the center, appoint a permanent director by June 1, 2000, and ensure the center is fully operational by June 1, 2001.

Colombia Troop Cap. In an effort to ensure that the United States does not get drawn into a sizable military commitment in Colombia, the committee recommends a provision that restricts funds available to DOD to support or maintain more than 500 U.S. military personnel in Colombia at any time. The provision allows for exemptions from the limitation for military personnel assigned to the U.S. Embassy in Colombia as an attaché, as part of the security assistance office, or the Marine Corps security contingent; those participating in natural disaster relief efforts or involved in non-operational transit through Colombia; and those engaged in rescuing or retrieving U.S. military or governmental personnel.

Cooperative Threat Reduction (CTR). The committee continues to support the core purposes of CTR – the accelerated dismantlement of former Soviet strategic offensive arms that threaten the United States. However, the committee is concerned that the poor economic situation in the former Soviet Union is shifting an increasing share of CTR costs to the United States. Furthermore, the committee believes that CTR funds should be focused on eliminating the most serious and direct threats to the United States – first and foremost, strategic nuclear weapons and their associated infrastructure. Therefore, the committee recommends \$433.4 million (\$25 million less than the President's request) for CTR activities in fiscal year 2001. Specific recommendations include:

- \$162.8 million (\$10 million more than the President's request) for the elimination of strategic offensive arms in Russia;
- \$34.1 million (\$5 million more than the President's request) for elimination of strategic offensive arms in Ukraine;
- \$89.7 million (matching the President's request) to improve security at nuclear weapons storage facilities in Russia;
- \$12 million (matching the President's request) for biological weapons proliferation prevention in Russia;
- \$32.1 million (matching the President's request) for the elimination of plutonium production in Russian nuclear reactors;
- \$57.4 million (matching the President's request) for fissile material storage in Russia;
- \$9 million (\$5 million less than the President's request) for defense and military contacts; and

- the committee denies the President's request (a reduction of \$35 million) for work on a chemical weapons destruction facility, reflecting the continued conviction that the costs of this particular project exceed the anticipated benefits.

Counter-Drug Activities. Escalating production of cocaine and heroin has fueled the ongoing conflict between the government, armed insurgents, and paramilitary groups in Colombia. This increased violence has caused significant regional instability and has strained the ability of Panama, Ecuador, and Peru to respond to incursions by Colombian drug trafficking organizations, guerrillas, and paramilitary forces. DOD counter-drug efforts can provide important support to these regional allies as part of a comprehensive U.S. effort to contain the drug trade.

The committee recommends \$841.5 million (\$5.2 million more than the President's request) for counter-drug activities and \$155.9 million (matching the President's request) for expenses contained within the operating budgets of the services. Highlights include:

- **Eastern Pacific Drug Trafficking Detection.** Once again, the President's budget request failed to fully support Operation Caper Focus, a valuable ongoing operation to disrupt maritime narcotics trafficking in the Eastern Pacific. The committee continues to support this effort, and recommends \$6 million (the President's request did not include any funds) for the operation.
- **Puerto Rico Relocatable Over-The-Horizon Radar (ROTHR) Security.** The ROTHR based in Puerto Rico will greatly enhance the effectiveness of efforts to curtail the flow of illegal narcotics into the United States. However, the planned transfer of Navy land on the western side of Vieques, Puerto Rico, would leave the ROTHR without adjacent federal property, presenting a potential security risk to the facility. Therefore, the committee recommends \$1.2 million (the President's request did not include any funds) for security enhancements at the ROTHR facility.

Defense Institute for Hemispheric Security Cooperation. The committee is aware of persistent concerns that the Army School of the Americas does not focus sufficient classroom attention upon critical issues such as rule of law and civilian control of the military within the countries of Latin America. While the committee supports the unique mission of the school, it recognizes the need to implement fundamental changes to the School of the Americas to ensure that its student curriculum is properly structured. Accordingly, the committee recommends transferring the School of the Americas mission to the newly created Defense Institute for Hemispheric Security Cooperation. The recommended provision would establish a board of visitors to oversee the activities of the Institute and would require that the Institute's curriculum include instruction in human rights, the rule of law, due process, civilian control of the military, and the role of the military in a democratic society.

DOD Personnel Security Investigations. A recent General Accounting Office report indicates that DOD personnel security investigations are often incomplete and not conducted as scheduled.

This lack of timeliness has caused a backlog of over 900,000 investigations, possibly impeding DOD's work and harming national security. Therefore, the committee directs DOD to develop a means to quantify and prioritize the needed personnel security investigations.

Defense Prisoner of War/Missing in Action Office (DPMO). DPMO is currently developing a strategic plan for DOD to follow while carrying out the investigation and recovery of missing persons. The committee is concerned that the plan may include reduction of ongoing efforts to account for the thousands of service members still unaccounted for in previous wars. Therefore, the committee directs the Secretary of Defense to consult with Congress before implementing any plan that would reduce the current level of effort to account for missing personnel.

Electromagnetic Pulse (EMP) Commission. A nuclear weapon detonated at high-altitude would generate an EMP, similar to a very high energy radio wave, that can potentially damage and destroy electronic systems over the entire continental United States. Some analysts have suggested that nations having small numbers of nuclear missiles, such as China or North Korea, may consider an EMP attack against U.S. forces regionally to degrade the U.S. technological advantage, or against the United States' national electronic infrastructure as a way to get the most utility from their modest nuclear capabilities. Accordingly, the committee recommends a provision that establishes an EMP Commission, to be comprised of independent scientists and military experts, to assess the evolving EMP threat and the vulnerability of U.S. military and civilian electronic infrastructure, and to recommend steps that can be taken to better protect the United States from EMP attack.

Funeral Honors Duty Compensation. The committee recommends a provision that would authorize reservists assigned to honor details for veterans' funerals be compensated at the same rate as the member would be compensated for participating in inactive-duty training.

Merchant Marine. Ensuring a healthy domestic maritime industry remains a critical element of U.S. military and economic strength. Therefore, the committee recommends \$148.3 million (\$61.9 million more than the President's request) for the Title XI loan guarantee program and capital improvements and maintenance to the United States Merchant Marine Academy.

Quadrennial Defense Review (QDR). Past DOD efforts to define U.S. national security interests in the post-Cold War world were budget-driven exercises rather than honest and realistic assessments of the nation's security requirements. These efforts are largely responsible for today's reduced force, an expansive national security strategy, and the resulting high operations tempo that is eroding U.S. military readiness. The committee is concerned that DOD not repeat these past mistakes, and urges DOD to take a comprehensive, rather than budget-driven, approach to the QDR.

Vieques. On April 19, 1999, a Navy contract employee was tragically killed when live ordnance that was accidentally dropped on an observation post within the weapons range complex on Vieques Island, Puerto Rico. From that date, until May 4, 2000, demonstrators occupied the live-impact area on Vieques in protest against the Navy's presence on the island. As a result, critical live-fire training required to

prepare Navy carrier battle groups and Marine amphibious ready groups for deployment overseas was halted.

According to a recent DOD Quarterly Readiness Report to Congress, this lack of training has resulted in several ships deploying with, “reduced training readiness.” Vieques, with its live-fire range and associated underwater and electronic warfare ranges, remains the only site on the East Coast where the Navy and Marine Corps can conduct joint and combined live-fire training in conjunction with the actual amphibious landing of troops ashore – training that is essential to warfighting readiness. The committee believes that retaining the Vieques Island training facility is critical to the future readiness of our naval forces and recommends several initiatives to ensure continued access. The committee recommends provisions to:

- prohibit the Secretary of the Navy from transferring the eastern end of Vieques Island from the jurisdiction of the Navy;
- permit the Secretary of the Navy to transfer the land on the western end of Vieques once live-fire training has resumed on the Vieques range facility. Any land transferred by the Navy would be managed as conservation areas and continue to be managed as such after conveyance;
- limit the military’s use of Vieques Island to 90 days of live fire-training and 90 days of non-live-fire training per year. It would also require the Navy to ensure the safety of local citizens, reduce the noise levels, and provide for a citizen’s advisory committee that allows citizens to air concerns over military training on Vieques; and
- authorize \$40 million in economic assistance to the citizens of Vieques once live-fire training has resumed on the range facility.

DEPARTMENT OF ENERGY (DOE)

DOE Environmental Management Programs. The committee recommends \$5.9 billion (\$216 million less than the President's request) for DOE's environmental cleanup and management programs including:

- \$1.1 billion (matching the President's request) for the Defense Facilities Closure Project;
- \$1 billion (\$40 million more than the President's request) to facilitate construction and site completion at facilities DOE will close by 2006;
- \$3.1 billion (matching the President's request) for construction and project work at facilities with complex and extensive environmental issues that DOE will close after 2006;
- \$196.5 million (matching the President's request) for the Defense Environmental Restoration and Waste Management Science and Technology program, which develops new technologies for nuclear waste cleanup; and
- \$259 million (\$256 million less than the President's request) for Defense Environmental Management Privatization (see Hanford Tank Waste Remediation System, below).

Hanford Tank Waste Remediation System. The Hanford Tank Waste Remediation System was to be designed, built, and operated with private financing – government payment was not to occur until the facility was successfully producing treated waste. In April 2000, the chosen contractor submitted the required multi-year proposal to DOE with an estimated total cost of \$15.2 billion, \$8.3 billion higher than an estimate the contractor provided DOE only 18 months earlier. Because of the unexpectedly large price, the Secretary of Energy rejected the proposal. That rejection upset the schedule to sign a contract to complete the design and to construct and operate the waste treatment facility. Given the uncertain future of the project, the committee believes the \$450 million request to begin the next phase of the project is overstated. Consequently, the committee recommends \$194 million while DOE decides how to restructure the cleanup contract. This amount, when combined with \$176 million remaining from the current contract, will allow DOE to proceed with design of this vital waste treatment facility.

National Nuclear Security Administration (NNSA). To meet long-standing security and management concerns, last year Congress created the NNSA, a semi-autonomous agency to manage the nation's nuclear weapons, nonproliferation and naval reactors programs. The committee does not believe that DOE has fully complied with this law, and recommends steps to assure greater compliance, including:

- restructuring the budget request to reflect discrete program elements;
- limiting the time for which DOE funding is available for obligation; and
- limiting the expenditure of some of NNSA funds until a future-year nuclear security program is submitted to Congress.

The committee recommends \$6.3 billion for the NNSA (\$91.8 million more than the President's request) to meet national security needs.

Tritium Readiness. Tritium is a radioactive isotope of hydrogen necessary for the proper functioning of U.S. nuclear weapons. Because it has a short half-life, it must periodically be replenished. However, the United States has not produced any tritium in over a decade. Last December, the Secretary of Energy selected commercial light water reactor technology to be the nation's primary tritium production technology, but continued development of Accelerator Production of Tritium (APT) as a back-up production technology. As the President's request did not include any funds for APT, the committee recommends \$177 million (\$25 million more than the President's request) for tritium readiness to continue APT design efforts.

Directed Stockpile Work. The committee recommends \$856.6 million (\$20 million more than the President's request) for stockpile life extension and evaluation programs.

Production Facilities Operations. The committee believes that the budget request places insufficient priority on restoring and modernizing infrastructure at the nuclear weapons plants and recommends \$49.1 million (\$20 million more than the President's request) for infrastructure improvements at the Pantex plant, \$56.8 million (\$17 million more than the President's request) for infrastructure improvements and capital equipment at the Kansas City plant, and \$82.3 million (\$15 million more than the President's request) for infrastructure improvements at the Y-12 plant.

Ballistic Missile Defense Research and Development. The committee believes development of effective ballistic missile defenses is one of the highest national priorities and that NNSA's national laboratories are valuable, multi-mission, national security assets that can and should contribute to this effort. Therefore, the committee recommends a provision that will enhance cooperative efforts between the Ballistic Missile Defense Organization and the NNSA.

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Actions on Major Programs in the Fiscal Year 2001 Defense Authorization Act
(dollars in millions)

Major Army Programs						
	FY 2001 Budget Request			H.R. 4205		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
M1A2 Abrams		80	\$512.8		80	\$512.8
Bradley A2 ODS		0	\$0.0		65	\$81.0
M113 Carrier Mods			\$45.1			\$95.1
RAH-66 Comanche	\$614.0			\$614.0		
Crusader	\$355.3			\$355.3		
MLRS Launchers		66	\$188.7		66	\$188.7
Javelin Missiles		3,754	\$372.2		3,754	\$372.2
Small Arms			\$34.2			\$55.2
CH-47 Upgrades			\$200.9			\$200.9
Night Vision Devices			\$34.1			\$54.5
Wolverine Heavy Assault Bridge		0	\$0.0		12	\$72.3
UH-60 Blackhawk		6	\$86.8		12	\$154.9
UC-35		0	\$0.0		1	\$7.6
Grizzly Breacher			\$0.0			\$79.6
TH-67 Creek		0	\$0.0		19	\$24.0
PAC-2			\$22.9			\$88.4
Apache-64D Longbow		60	\$744.5		60	\$744.5
Airborne Reconnaissance Low		0	\$0.0		1	\$31.0
Future Combat System	\$458.0			\$504.0		

Major Navy and Marine Corps Programs						
	FY 2001 Budget Request			H.R. 4205		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
V-22 Osprey	\$148.2	16	\$1,208.5	\$157.4	16	\$1,208.5
AAAV	\$138.0			\$165.5		
Joint Strike Fighter	\$427.6			\$427.6		
F/A-18E/F	\$18.7	42	\$2,919.6	\$20.7	39	\$2,713.8
E-2C Hawkeye		5	\$320.8		5	\$320.8
JPATS		21	\$74.4		21	\$74.4
NSSN	\$207.1	1	\$1,711.0	\$209.1	1	\$1,711.0
CVN-77	\$38.3	1	\$4,054.0	\$38.3	1	\$4,054.0
CVN(X)	\$236.1		\$21.9	\$236.1		\$21.9
DDG-51	\$179.7	3	\$3,070.0	\$179.7	3	\$3,070.0
CH-60		15	\$245.5		17	\$287.4
Hercules IRV		16	\$42.6		21	\$57.1
HMMWV			\$124.4			\$147.4
KC-130J		2	\$154.8		3	\$231.1
HH/UH-1 Recl. & Conversion			\$0.0			\$17.5
ADC(X)		1	\$339.0		1	\$349.0
UC-35		0	\$0.0		2	\$15.2
DD-21	\$549.7			\$543.7		
SH-60R	\$69.9	4	\$162.3	\$69.9	4	\$162.3
AV-8B	\$38.1	10	\$282.1	\$38.1	10	\$282.1
LPD-17	\$2.6	2	\$1,510.0	\$2.6	2	\$1,510.0
C-40A		0	\$0.0		1	\$54.0
T-45		12	\$273.7		14	\$306.5
Lightweight 155 Towed Howitzer	\$12.1			\$15.3		
Tomahawk	\$91.4			\$91.4		

Major Air Force Programs						
	FY 2001 Budget Request			H.R. 4205		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
F-22	\$1,411.8	10	\$2,546.1	\$1,411.8	10	\$2,546.1
E-8C Joint STARS	\$144.1	1	\$296.3	\$146.6	1	\$296.3
E-8C Joint STARS Adv. Proc.		-	\$0.0		-	\$40.0
F-16C/D Fighting Falcon	\$124.9	-	\$0.0	\$124.9	3	\$51.7
JPATS		27	\$113.8		27	\$113.8
C-17 Globemaster	\$176.4	12	\$2,478.4	\$176.4	12	\$2,504.3
Joint Strike Fighter	\$429.0			\$444.0		
JASSM	\$120.3			\$120.3		
Global Hawk UAV	\$103.2		\$22.4	\$103.2		\$22.4
B1-B Bomber	\$168.1		\$48.8	\$178.1		\$48.8
B-2 Stealth Bomber	\$48.3		\$21.7	\$142.3		\$21.7
Airborne Laser	\$148.6			\$231.0		
Air Force Science & Technology	\$1,291.3			\$1,367.5		
CV-22		4	\$363.0		4	\$363.0
Extended Range Guide Missile	\$0.0			\$86.1		

Major Defense-wide Programs						
	FY 2001 Budget Request			H.R. 4205		
	R & D	Quantity	Procurement	R & D	Quantity	Procurement
Ammunition (all services)			\$2,105.5			\$2,225.4
Ballistic Missile Defense	\$3,737.6		\$444.0	\$4,427.6		\$509.2
THAAD	\$549.9			\$549.9		
Navy Theater Wide	\$382.7			\$407.7		
PAC-3	\$81.0	8	\$365.4	\$81.0	16	\$430.6
National Missile Defense	\$1,740.2		\$74.5	\$2,066.2		\$74.5
BMD Technology	\$401.7			\$509.7		
Chemical-Biological Defense	\$361.9		\$473.9	\$371.4		\$473.9

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